



PEAK MINERALS, INC.

DOGM
MINERALS PROGRAM
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5/03/001

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July 6, 1989

Mr. Wayne Hedberg
State of Utah
Division of Oil, Gas and Mining
355 West North Temple
3 Triad Center, Suite 350
Salt Lake City, UT 84180-1203

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DIVISION OF
OIL, GAS & MINING

Dear Wayne,

Last week (June 30-July 1) I was over at our property near Nephi, Utah conducting our annual assessment work. While driving around our claims collecting samples for geo-chemical analysis, I noticed that someone has been mining in Section 32 within the boundaries of our state lease (see attached map). While they (whoever has been mining) did not disturb a large area, they did upgrade about 0.8 miles of road leading into their mining site (outlined in yellow). While this upgrading made a better road, they simply filled in a couple of drainages that are 2-4 feet in depth. They did not put any culverts in and therefore, when (if ever!!) we get a good rain, the road is simply going to wash out in the drainages.

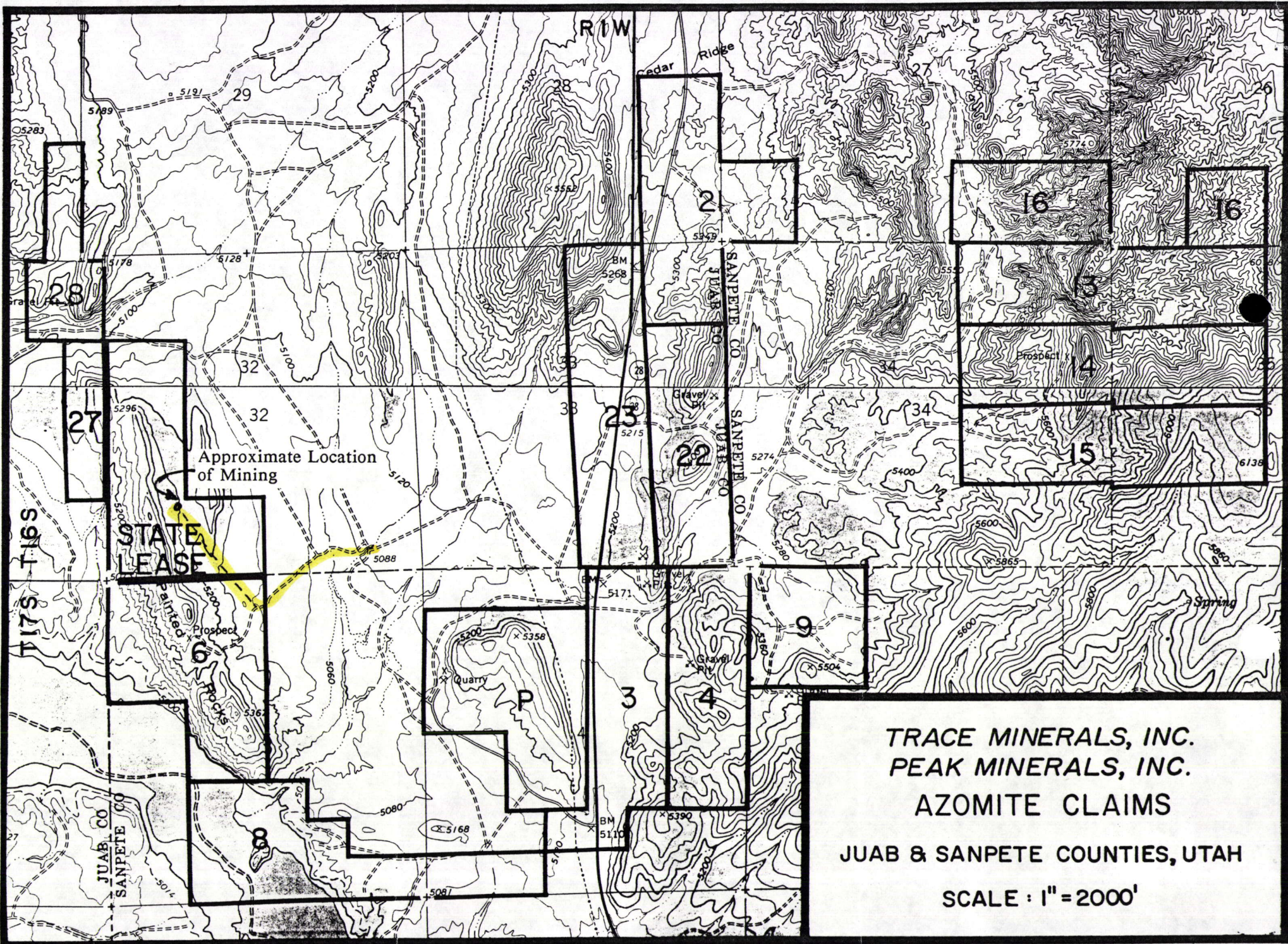
Since part of the road that has been upgraded leads to one of the prospect locations within our property, and since the mining was done within our state lease boundary, I just wanted to let you know that we, Peak Minerals, Inc., **were not responsible** for the upgrading of the road or the small amount of mining that has been conducted. By the way, it would appear that the mining was performed in the last 2-3 weeks since tire tracks from their front end loader are still present at the mining site.

If you have any questions, please feel free to call at your convenience.

Sincerely,

Clyde Borrell
Vice President

cc: Charles McNeil
Wes Emerson
Rollin J. Anderson
Rollin R. Anderson



TRACE MINERALS, INC.
PEAK MINERALS, INC.
AZOMITE CLAIMS

JUAB & SANPETE COUNTIES, UTAH

SCALE : 1" = 2000'